

OPERATING FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

May 31, 2021

A handwritten signature in black ink, appearing to read "Eugene H. Schied", is positioned above the name of the Chief Financial Officer.

**EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**MANAGEMENT OVERVIEW
MAY 31, 2021**

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$191.5 million. The balance decreased by \$3.1 million for the month due to cash disbursements for operating expenses and capital expenditures. The cash position is considered sufficient to cover current and future budgetary obligations of the Fund through April 2022.

Due from National Credit Union Share Insurance Fund represents the receivable for expenses paid by the Operating Fund. It had a month-end balance of \$101 thousand.

Other accounts receivable, net had a month-end balance of approximately \$653 thousand. Its balance decreased by approximately \$1.2 million from prior month primarily due to the collection of annual operating fees.

Accounts payable are trade, relocation and inter-agency payables. The balance increased by \$3.6 million for the month primarily due to vendor/trade and overhead transfer payables.

Accrued wages and benefits are earned by NCUA staff, but remain unpaid at month-end.

Accrued annual leave is leave earned by NCUA staff, but not yet used.

Statements of Revenues, Expenses, and Changes in Fund Balance

Revenues in excess of expenses totaled \$1.3 million for the month. Operating fees reflect one-twelfth of the 2021 Operating Fees. Expenses, net are after the Overhead Transfer Rate adjustment that allocates 62.3 percent of expenses to the Share Insurance Fund.

Statements of Cash Flows

The cash position decreased \$3.1 million from prior month. In the current month, \$2.7 million was used in operating activities, and \$424 thousand was used in investing activities. There were no financing activities in the current month.

Other Information

The Agency had 47 vacancies as of month-end. Of the 47 vacancies, 11 were in the central office and 36 were in the regions and Asset Management and Assistance Center (AMAC). The 47 vacancies represent 3.9 percent of total authorized staff of 1,192.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

BALANCE SHEETS

As of May 31, 2021 and 2020

(Dollars in thousands)

	May 2021	May 2020
ASSETS		
Cash and cash equivalents	\$ 191,548	\$ 171,685
Due from National Credit Union Share Insurance Fund	101	145
Employee advances	15	16
Other accounts receivable, Net	653	15,704
Prepaid expenses and other assets	7,688	5,776
Fixed assets - Net of accumulated depreciation of \$39,975 and \$36,437 as of May 31, 2021 and May 30, 2020, respectively	27,144	30,558
Intangible assets - Net of accumulated amortization of \$26,333 and \$21,681 as of May 31, 2021 and May 30, 2020, respectively	33,558	25,438
TOTAL ASSETS	\$ 260,707	\$ 249,322
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	\$ 11,463	\$ 8,368
Obligations under capital leases	70	706
Accrued wages and benefits	7,916	6,704
Accrued FECA and unemployment benefits	231	226
Accrued actuarial FECA benefits	4,381	4,276
Deferred revenue ¹	72,479	84,926
Accrued annual leave	24,221	19,804
Note payable to National Credit Union Share Insurance Fund	-	4,470
TOTAL LIABILITIES	120,761	129,480
 FUND BALANCE	 139,946	 119,842
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 260,707	 \$ 249,322

¹The Operating Fund recognizes operating fee revenue ratably over the calendar year. The deferred revenue is the remaining amount to be recognized over the remainder of the calendar year.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE

For the periods ended May 31, 2021 and 2020

(Dollars in thousands)

	May 2021	Year-to-Date May 2021	Year-to-Date May 2020
REVENUES			
Operating fees	\$ 10,354	\$ 51,772	\$ 60,664
Interest	1	14	268
Other	82	164	365
Total Revenues	10,437	51,950	61,297
EXPENSES, NET¹			
Employee wages and benefits	7,018	37,980	36,259
Travel	23	76	1,829
Rent, communications, and utilities	280	946	860
Contracted services	1,282	7,014	6,327
Depreciation and amortization	282	1,497	1,187
Administrative	217	785	944
Total Expenses, Net	9,102	48,298	47,406
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	1,335	3,652	13,891
FUND BALANCE—Beginning of period	138,611	136,294	105,951
FUND BALANCE—End of period	\$ 139,946	\$ 139,946	\$ 119,842

¹ Operating Fund expenses are the total NCUA operating expenses minus the Share Insurance Fund allocation as determined by the overhead transfer rate of 62.3% and 61.3% for 2021 and 2020, respectively.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

STATEMENTS OF CASH FLOWS

For the periods ended May 31, 2021 and 2020

(Dollars in thousands)

	<u>May 2021</u>	<u>Year-to-Date May 2021</u>	<u>Year-to-Date May 2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	\$ 1,335	\$ 3,652	\$ 13,891
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	743	3,948	3,066
(Gain) Provision for loss on disposal of assets held for sale	-	-	(11)
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	50	3,161	2,164
Employee advances	-	1	(9)
Other accounts receivable, net	1,193	(338)	(15,343)
Prepaid expenses and other assets	(117)	(3,654)	(1,762)
(Decrease) increase in liabilities:			
Accounts payable	3,609	3,374	(934)
Accrued wages and benefits	880	(2,673)	(3,322)
Accrued FECA and unemployment benefits	-	77	57
Accrued actuarial FECA benefits	-	-	-
Deferred revenue	(10,356)	72,479	84,926
Accrued annual leave	-	1,883	859
Accrued employee travel	-	(82)	(708)
Net Cash Used in Operating Activities	<u>(2,663)</u>	<u>81,828</u>	<u>82,874</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	(424)	(1,648)	(4,987)
Proceeds from sale of assets held for sale	-	-	434
Net Cash Used in Investing Activities	<u>(424)</u>	<u>(1,648)</u>	<u>(4,553)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of note payable to National Credit Union Share Insurance Fund	-	-	(558)
Principal payments under capital lease obligations	-	(19)	(570)
Net Cash Used in Financing Activities	<u>-</u>	<u>(19)</u>	<u>(1,128)</u>
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,087)	80,161	77,193
CASH AND CASH EQUIVALENTS—Beginning of period	<u>194,635</u>	<u>111,387</u>	<u>94,492</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 191,548</u>	<u>\$ 191,548</u>	<u>\$ 171,685</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83</u>
CASH PAYMENTS FOR INTEREST	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35</u>

The balances in the statement above are preliminary and unaudited.